Court File No. 07-CL-7120

DATE: March 12, 2008

TO: Service List

FROM: Ernst & Young Inc., Monitor of Hollinger Inc., Sugra Limited and 4322525 Canada Inc. (the "Applicants")

CC: Bill Aziz, Hollinger Inc.

RE: **Applicants' Information**

BACKGROUND

1. On August 1, 2007, the Applicants filed for and obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pursuant to the Order of the Ontario Superior Court of Justice dated August 1, 2007 (the "Initial Order"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the Monitor of the Applicants (the "Monitor") in these CCAA proceedings.

PURPOSE

2. The purpose of this communication from the Monitor (the Sixteenth Communication") is to provide a weekly information update to all stakeholders, including:

    (a) The Applicants' weekly variance report for the four weeks ended February 22, 2008, attached as Schedule 1;

    (b) Applicants' receipts and disbursements from the date of the Initial Order to February 22, 2008, which is attached as Schedule 2; and

    (c) The Applicants' weekly reporting of all outstanding legal accounts receivable and work in process for the period ended February 22, 2008, attached as Schedule 3.

TERMS OF REFERENCE

3. Capitalized terms not defined in this Sixteenth Communication are as defined in the Initial Order. All references to dollars are in Canadian currency unless otherwise noted.

4. In preparing this Sixteenth Communication, the Monitor has relied upon unaudited financial information and records of the Applicants and certain of their affiliates and discussions with management of the Applicants. The Monitor has not performed an audit or other verification of such information.

5. The Monitor does not assume any responsibility or liability for losses incurred by the reader or any other party as a result of the circulation, publication, reproduction or use of this Sixteenth Communication.

INTER-COMPANY RECEIPTS

6. As previously reported, the Applicants indicated that 10 Toronto has committed to repay on an "as needed" basis up to $7.5 million of inter-company amounts owed to Hollinger. The total inter-company repayments since filing from 10 Toronto up to February 22, 2008 are $4.8 million.

CURRENT STATUS

7. On February 28, 2008 the Applicants filed a notice of motion seeking an Order (i) authorizing and directing the Applicants to prepare and file a Plan of Arrangement incorporating the terms described in a term sheet annexed as Schedule "A" thereto; (ii) authorizing the Applicants to take certain steps to restructure certain of their operations and management including the appointment of a Litigation Guardian to preserve, protect and realize upon the litigation assets; and (iii) establishing a claims process for the review and determination of all claims against the Applicants, and the appointment of a Claims Officer. On that same date Davidson Kempner Capital Management LLC ("DK") filed a notice of motion seeking, among other things, a termination of the CCAA proceedings, an order declaring the Applicants bankrupt and the appointment of a trustee in bankruptcy. Sun Times Media Group Inc. ("STMG") filed a similar motion.

8. On Friday February 29, 2008 counsel for the Applicants, DK, STMG, the Indenture Trustees and certain others attended with the Monitor before Mr. Justice Campbell to

discuss the scheduling of the various motions and the delivery of all material in connection therewith. On February 29, 2008 Justice Campbell issued an order extending the Stay Period to April 25, 2008 and directed that all of the motions be dealt with according to a schedule for the delivery of materials and cross-examinations if any to be coordinated by the Monitor and agreed by counsel, for a hearing tentatively scheduled for April 22 and 23, 2008, if necessary.

9. While the scheduling of these motions does not preclude further negotiations among the parties, the Monitor is not aware of continuing negotiations that would result in a tri-partite agreement being reached among the Applicants, DK and STMG at this time.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Consolidated Weekly Cash Flow Variance Analysis compared to the November 3, 2007 Cash Flow Projection

C$ 000s	Projected Results for the four weeks ended Friday 22-Feb	Actual Results for the four weeks ended Friday 22-Feb	Variance	Notes
Opening Cash, ex. Funds in Trust	**475**	**2,970**	2,495	
Receipts				
Dividends	-	-	-	
Interest income	2	-	(2)	
Other	-	-	-	
Intercompany Accounts Receivable (Payable)	695	-	(695)	1
Total receipts	**697**	**-**	**(697)**	
Disbursements				
Payroll & Benefits	(20)	(1)	20	
Directors Fees and Insurance	(30)	-	30	
Legal Fees (including retainers)	(264)	(105)	158	2
Chapter 15 Legal Fees (US)	(37)	-	37	2
CCAA Legal Fees (Canada)	(232)	(183)	50	2
CCAA Monitor Fees	(100)	(92)	8	
Contractor Fees	(127)	(121)	6	
Advisors	(193)	(97)	96	
Litigation Trust	(38)	-	38	
Monitor re Claims Process	(55)	-	55	
Monitor Counsel re Claims Process	(30)	-	30	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(10)	-	10	
Taxes	(22)	-	22	
Other	(15)	13	28	3
Total Disbursements	**(1,172)**	**(585)**	**588**	
Change in cash	**(475)**	**(585)**	**(109)**	
Closing cash, ex. Funds in Trusts	**-**	**2,385**	**2,385**	

1) Actual receipts from Intercompany Accounts Receivable were less than projected due to lower than anticipated disbursements which reduced the need to collect intercompany receivables from 10 Toronto Street Inc.

2) Actual disbursements for Legal, Chapter 15 and CCAA legal costs were lower than projected. The difference represents a timing difference from the projection, which is expected to reverse in the near term.

3) Other disbursements relates to a foreign exchange adjustment on cash in the bank as a result of the appreciation of US Dollar relative to the Canadian Dollar during the week.

Hollinger Inc., 4322525 Canada Inc. and Sugra Limited (collectively the "Applicants")
Actual Cash Flow for the period from August 1, 2007 to February 22, 2008

C$ 000s	Total Actual Cash Flow for the period from August 1, 2007 to January 4, 2008	Total Actual Cash Flow for the period from January 5, 2008 to February 22, 2008	Total Actual Cash Flow for the period from August 1, 2007 to February 22, 2008	
Opening Cash, ex. Funds in Trust	**1,495**	3,377	**1,495**	
Receipts				
Dividends	-	-	-	
Interest income	41	-	41	
Other	5,582	68	5,650	
Intercompany Accounts Receivable (Payable)	4,846	-	4,846	
Total receipts	10,469	68	10,537	
Disbursements				
Payroll & Benefits	(256)	(18)	(274)	
Directors Fees and Insurance	(560)	(31)	(591)	
Legal Fees (including retainers)	(3,037)	(260)	(3,298)	Note 1
Chapter 15 Legal Fees (US)	(750)	(33)	(783)	
CCAA Legal Fees (Canada)	(1,236)	(315)	(1,551)	
CCAA Monitor Fees	(620)	(121)	(741)	
Contractor Fees	(740)	(121)	(861)	
Advisors	(814)	(178)	(992)	
Litigation Trust	-	-	-	
Monitor re Claims Process	-	-	-	
Monitor Counsel re Claims Process	-	-	-	
Interest on Senior Secured Notes	-	-	-	
Operating Costs related to building	(153)	-	(153)	
Taxes	-	-	-	
Other	(422)	17	(404)	
Total Disbursements	(8,588)	(1,060)	(9,648)	
Change in cash	1,881	(992)	889	
Closing cash, ex. Funds in Trust	3,377	2,385	2,385	

The Cash balance above is shown in thousands of Canadian dollars and excludes approximately $0.5 million held in trust by Aird & Berlis for the officers' indemnity trust.

As at February 22, 2008, the cash balances at each of the Applicants and non-Applicants (with any cash) were as follows:

(Cdn Millions)	
Applicants	$ 2.4
Holcay	$ 0.0
Domgroup	$31.3
10 Toronto	$ 7.0

Note 1 - A substantial portion of these fees relate to accruals for work performed in investigating and preserving the litigation assets prior to the Initial Order that were paid post filing.

Summary of Legal Accruals
As at February 22, 2008
CDN $

	Pre Filing	Post Filing	Outstanding Invoices	Estimated WIP from August 1 to February 22, 2008	Total Revised "Bubble" at February 22, 2008	Total Revised "Bubble" as of February 22, 2008 **(excluding pre filing amounts)**	Total Revised "Bubble" as of January 25, 2008 **(excluding pre filing amounts)**	Increase in (Decrease) "Bubble" **(excluding pre filing amounts)**
Legal Fees	56,270	106,104	162,374	80,858	243,233	186,963	134,294	52,669
CCAA Legal Fees	-	8,471	8,471	83,077	146,547	146,547	181,839	(35,291)
Ch 15 Legal Fees	-	6,183	6,183	37,887	44,071	44,071	48,123	(4,052)
Overall Total	**56,270**	**120,759**	**177,029**	**201,822**	**433,851**	**377,581**	**364,256**	**13,325**

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Note that the Applicants did make approximately $0.3 million of payments in respect of legal fees during the period ended February 22, 2008; therefore, the increase in the bubble represents the legal fees incurred during the four weeks less payments, subject to additional information that may be received by the Applicants from their counsel.

Reconciliation for the period ended February 22, 2008

Reverse Opening Balance (as of January 25, 2008) including pre-filing amounts	(420,526)
Cash Distributions on account of legal fees for the period ended February 22, 2008	288,141
Reduction (increase) in contingency	(1,211)
Add Closing Balance (as of February 22, 2008) including pre-filing amounts	433,851
Approximate Legal Fees incurred during the four week period ended February 22, 2008	300,255